

Taxation On Motor Vehicles In U.P.: A Critical Look

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Introduction

Road transport provides the most important means of communication next to railways. The transport industry has also contributed increasingly to the tax revenues of the Center and States. Central government levies excise duty on the motor vehicles, motor parts and petroleum products. States, besides levying sales tax on motor vehicles and motor spirit, levy goods and passenger taxes and the motor vehicle tax under entries 56 and 57 of List II of the Seventh Schedule to the Constitution. There is also an entry 35 in the Concurrent List regarding mechanically propelled vehicles including the principles on which taxes on such vehicles are to be levied. No law has so far been enacted by the Parliament under this entry.

All taxes that fall on motor vehicles will ultimately have to be borne by the user of motor transport and hence these taxes have to be looked upon as constituting the taxation of road transport services. Since road transport is an important national industry essential for the growth of trade and industry and serves as an important supplement to railways in the opening up of the country and bringing all the interior areas into the national communication network, it has been the national policy to foster the development of both goods and passenger services. In this context, the taxation of road transport services by various authorities has to be coordinated and tax policies so oriented as to ensure that the total burden does not inhibit the growth of transport services and is equitable distributed. This consideration must be kept in view in discussing the State levies on motor transport.

Basis and Rates of Taxation

In case of taxes on motor vehicles, the motor vehicles have been classified into two broad categories, viz. non-transport vehicles and transport vehicles. Further, transport vehicles have been classified into taxicabs and auto rickshaws and public/private carriers. Separate rates are being charged for different categories of transport vehicles.

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Prior to November 9, 1998 the motor vehicle tax or road tax was levied in the State under the U.P. Motor Vehicle Taxation Act, 1935. The tax was levied on non-transport vehicles, viz., motor cars and motor cycles, including scooters and mopeds according to their un-laden weight; on transport vehicles viz., on taxis and stage carriages according to their seating capacity and class of routes and on goods vehicles on their authorized pay load. Passenger tax was levied under the U.P. Motor Gadi (Yatri Kar) Adhiniyam 1962. It was levied as a percentage of fare on every passenger carried by a stage carriage or contract carriage. A goods tax was levied under the U.P. Motor Gadi (Mal-Kar) Adhiniyam, 1964 as a percentage of the freight charged for the carriage of goods.

All the above three Acts were merged together and an Act named as The Uttar Pradesh Motor Vehicle Taxation Act, 1997 was enacted which came into force with effect from 9.11.1998. Under section 4 of this act Tax (Road Tax) on vehicles other than transport vehicles viz., Mopeds, Scooters, Motor Cycles is levied on the basis of their unladen weight and on motor cars as a percentage of the cost of the vehicle. Likewise, tax on goods vehicles is levied on the basis of Gross Vehicle Weight (GVW). Tax on stage carriages and contract carriages is levied on the basis of their seating capacity and class of routes.

Besides above tax, additional tax is also levied on transport vehicles viz. goods carriages (truck, etc.) and passenger vehicles (stage carriage and contract carriage). Additional Tax on goods carriage is levied on the basis of Gross Vehicle Weight (GVW). Additional tax on contract carriages and stage carriages on the basis of distance run in a quarter and class of routes.

Prevailing rates of tax and additional tax on goods vehicles and passenger vehicles have been given at Annexures-1, 2, 3 and 4.

The prescribed fees for various permits / certificates / licenses issued by the Transport Department as revised vide Ministry of Road Transport and Highways Notification dated March 28, 2001 are given at Annexure 5.

Another major category of revenue from motor vehicles is fine. The main purpose of fines is not, however, revenue but deterrence. The Central Act prescribes the penalties, which can be awarded by courts after conviction for an offence, but States are authorized to fix the rates of compounding fees for different offence. Rates of compounding fee for certain offences are given in Annexure 6.

Growth in Revenue from Taxes on Motor Vehicles

Figures in respect of motor vehicles plying on road in Uttar Pradesh are shown in Table-1, which reveal that the total number of motor vehicles plying on road in U.P. have increased at an annual growth rate of 9.6 per cent from 19.42 lakh in 1990-91 to 64.23 lakh in 2003-04. The annual growth rate during the period works out to 10.4 per cent in the case of two wheelers, 10.0 per cent in the case of cars, 8.5 per cent in the case of Taxies, 7.8 per cent in case of Tractors and nearly one per cent in case of buses.

Table 1 Number of Motor Vehicles Plying on Road in Uttar Pradesh

Year	Cars	Motor Cycles including Mopeds and Scooters	Buses	Taxies	Public Transport and Private Carriers	Tractors	Vehicles exempt from Tax	Others	Total
1990-91	111383	1351877	23304	37345	74930	271672	37574	33602	1941687
1991-92	131583	1518840	23816	49416	75995	289100	27734	34973	2151457
1992-93	133134	1642127	25170	50440	81319	359132	26772	36790	2354884
1993-94	139423	1802523	25559	53245	81544	393012	29651	62382	2587339
1994-95	147939	1941356	27295	56091	82401	419096	30189	67964	2772331
1995-96	131848	2057408	28740	62861	78770	447546	32205	66845	2906223
1996-97	160123	2264232	27367	64284	91216	450088	30067	100965	3188342
1997-98	176689	2731484	28489	76909	96745	522333	33722	108721	3775092
1998-99	208106	2904555	27972	91604	97268	553954	33928	109991	4027378
1999-2000	250572	3236415	30472	96700	105268	605240	37843	129601	4492111
2000-01	370570	3583551	25389	94784	121203	663384	48778	41403	4949062
2001-02	321747	3834680	25397	95082	116268	677366	48771	51631	5170942
2002-03	326604	4488426	25357	104214	125010	709797	50689	98298	5928395
2003-04	386202	4893070	26162	107516	151711	717675	29201	111934	6423471
Annual growth rate between 1990-91 and 2003-04	10.0%	10.4%	0.9%	8.5%	5.6%	7.8%	--	9.7%	9.6%

Source: Transport Commissioner U.P.

The increase in the number of yearly registration of vehicles has led to a corresponding increase in the revenue collection from taxes on motor vehicles. Revenue receipts from taxes on motor vehicles for the selected years between 1990-91 and 2003-04 are shown in Table-2, which reveal that the revenue receipts from all taxes on motor vehicles have increased at an annual growth rate of 10.7 per cent from Rs.230 crore in 1990-91 to Rs.663 crore in 2003-04. The annual growth rate during the period works out to 13.9 per cent in case of motor vehicle tax (Road Tax). The revenue receipts from additional tax on goods carriages, however, increased at an annual rate of 9.5 per cent during the period. The annual rate of growth works out to 11.8 per cent in the case of additional tax on private passenger vehicles. However, receipts from additional tax on UPSRTC buses show erratic trend during the period. Its revenue receipts, which was Rs. 49 crore in 1990-91 increased to Rs. 73 crore in 2000-01, but later on declined to Rs. 43 crore in 2003-04.

Table 2
Revenue Receipts from Taxes on Motor Vehicles in Uttar Pradesh

(Rs. crore)

Year	Motor vehicle Tax (Road Tax)	Additional Tax on goods carriages	Additional Tax on Passenger carriages		Total
			Private	UPSRTC	
1990-91	89.10	55.58	36.54	49.08	230.30
1995-96	123.78	100.89	66.25	62.15	353.07
2000-01	292.61	146.60	128.79	73.00	641.00
2001-02	360.59	142.87	117.65	28.19	649.30
2002-03	499.24	160.34	143.31	48.05	850.94
2003-04	482.35	180.83	155.96	43.36	862.50
Annual growth rate between 1990-91 to 2003-04	13.9%	9.5%	11.8%	--	10.7%

Source: Karyakalapon Par Tippani, 2004-05 of Transport Department.

Table 3 shows the revenue receipts from taxes on motor vehicles in fourteen selected States. In terms of total revenue receipts, Uttar Pradesh was at fourth place in 1990-91, but by 2002-03 its rank slipped to ninth position. In the year 2002-03, first three ranked States were Tamil Nadu, Karnataka and Maharashtra. On the other hand, West Bengal was at the bottom amongst fourteen States. Table 3 also reveals that the annual growth rate between 1990-91 and 2002-03 in the revenue receipts from taxes on motor vehicles in Uttar Pradesh was only 9.4 per cent, which was lower than the annual growth rate of all States except Maharashtra (9.3 per cent) and West Bengal (2.2 per cent).

Table 4 shows the share of revenue receipts from taxes on motor vehicles in State's own tax revenue in selected fourteen States. In the year 1990-91, Uttar Pradesh was placed at 11th rank with a share of 7.5 per cent, but it ranked 12th with a share of 5.45 per cent in the year 2002-03. In the year 2002-03, U.P.'s share was only higher than Maharashtra (5.20 per cent) and West Bengal (3.55 per cent). Orissa topped amongst 14 States with a share of 19.86 per cent, followed by Bihar (14.26 per cent), and Haryana (13.82 per cent). The share of Orissa was more than three times higher than that of Uttar Pradesh, which shows there is a sufficient scope for raising revenue from taxes on motor vehicles in Uttar Pradesh.

Table 3
Receipts from Taxes on Motor Vehicle
(including Passenger Tax & Goods Tax) in Selected States

(Rs. Crores)

States	1990-91	1995-96	2000-01	2001-02	2002-03	Annual growth rate between 1999-91 & 2002-03	Rank 2003-04	
							1990-91	2002-03
Andhra Pradesh	186.93	461.45	834.38	944.47	950.35	14.5	8	4
Bihar	85.00	163.91	266.09	288.21	394.24	13.6	12	13
Gujarat	201.26	412.99	653.31	775.74	819.20	12.4	6	5
Haryana	138.08	253.98	452.35	602.19	767.14	15.4	9	8
Karnataka	257.92	624.37	974.84	1210.48	1192.23	13.6	2	2
Kerala	74.15	222.87	394.86	452.18	513.20	17.5	13	11
Madhya Pradesh	227.42	554.02	739.74	655.73	779.84	10.8	5	6
Maharashtra	406.17	671.54	886.07	1975.17	1186.26	9.3	1	3
Orissa	52.37	107.51	372.21	468.41	570.42	22.0	14	10
Punjab	107.38	190.65	338.32	318.44	443.87	12.6	11	12
Rajasthan	107.55	246.51	530.86	589.43	776.58	17.9	10	7
Tamil Nadu	249.91	554.20	831.95	931.08	1235.14	14.2	3	1
Uttar Pradesh	237.11	353.83	628.89	579.69	696.17	9.4	4	9
Vest Bengal	192.58	126.90	282.55	209.67	250.20	2.2	7	14

Source: RBI, Handbook of Statistics on State Government Finance, 2004.

Table 4
Share of Taxes on Motor Vehicles (Including Passenger Tax and Goods Tax)
in State's Own Tax Revenue

(Per Cent)

States	1990-91	1995-96	2000-01	2001-02	2002-03	Rank 2003-04	
						1990-91	2002-03
Andhra Pradesh	7.06	11.20	7.91	7.52	7.53	13	10
Bihar	7.45	8.31	9.07	11.80	14.26	12	2
Gujarat	8.39	7.76	7.22	8.39	8.60	6	8
Haryana	12.91	11.71	10.49	12.11	13.82	2	3
Karnataka	11.06	11.84	10.78	12.29	11.42	3	6
Kerala	5.53	6.59	6.73	7.63	7.03	14	11
Madhya Pradesh	12.96	15.75	13.12	13.94	12.64	1	4
Maharashtra	7.93	6.14	4.49	9.28	5.20	9	13
Orissa	7.83	9.54	17.04	18.99	19.86	10	1
Punjab	8.31	7.19	6.91	6.61	7.77	7	9
Rajasthan	8.84	9.03	10.02	10.39	12.42	5	5
Tamil Nadu	8.00	7.75	6.77	7.16	8.61	8	7
Uttar Pradesh	7.50	6.47	5.73	5.61	5.45	11	12
Vest Bengal	9.03	3.07	4.77	3.22	3.55	4	14

Source: RBI, Handbook of Statistics on State Government Finance, 2004.

Table 5 provides information regarding the per capita revenue earned from taxes on motor vehicles among fourteen selected States. In terms of per capita revenue, U.P. was placed at 12th position in year 1990-91, but its rank slipped to 13th in the year 2002-03. The per capita revenue of Rs.39.72 in Uttar Pradesh in the year 2002-03 was lowest amongst 14 selected States except West Bengal (Rs.30.10). Haryana with per capita revenue from taxes on motor vehicles Rs.346.56 topped all the States followed by Karnataka (Rs.218.60) and Tamil Nadu (Rs.193.75).

Table 5
Per Capita Revenue from Taxes on Motor Vehicles in Rs.
(Including Passenger Tax and Goods Tax)

States	1990-91	1995-96	2000-01	2001-02	2002-03	Rank 2003-04	
						1990-91	2002-03
Andhra Pradesh	28.32	64.39	109.78	122.42	121.66	9	10
Bihar	9.92	17.72	31.58	33.68	45.23	14	12
Gujarat	49.09	91.41	127.43	149.17	155.01	5	6
Haryana	84.66	138.26	211.40	276.96	346.56	1	1
Karnataka	57.76	127.53	183.27	224.77	218.60	2	2
Kerala	25.61	72.36	123.52	139.75	156.89	10	5
Madhya Pradesh	34.69	87.27	121.07	105.09	122.44	7	9
Maharashtra	51.88	78.16	90.61	199.11	117.84	4	11
Orissa	16.65	31.44	100.68	125.03	150.35	13	7
Punjab	53.34	85.96	137.82	128.10	176.16	3	4
Rajasthan	24.68	50.08	92.60	100.88	130.24	11	8
Tamil Nadu	44.98	93.71	133.29	147.55	193.75	6	3
Uttar Pradesh	17.21	22.81	37.37	33.76	39.72	12	13
West Bengal	28.52	17.14	34.98	25.58	30.10	8	14

Source: RBI, Handbook of Statistics on State Government Finance, 2004.

Table 6 shows the ratio of taxes on motor vehicles to State's GSDP in fourteen selected States, which reveals that in terms of this ratio, Uttar Pradesh ranked at 13th place both in the year 1990-91 and 2002-03. In the year 2002-03, West Bengal with the ratio of 0.15 per cent of GSDP was at the bottom and Orissa with the ratio of 1.29 per cent of GSDP was at the top amongst all fourteen States. It was closely followed by Haryana (1.15 per cent of GSDP) and Karnataka (0.99 per cent of GSDP).

Table 6
Ratio of Taxes on Motor Vehicles (Including Passenger Tax and Goods Tax)
to State's GSDP (%)

States	1990-91	1995-96	2000-01	2001-02	2002-03	Rank 2003-04	
						1990-91	2002-03
Andhra Pradesh	0.53	0.58	0.60	0.62	0.59	8	10
Bihar	0.30	0.67	0.57	0.61	0.73	14	7
Gujarat	0.66	0.57	0.60	0.64	0.58	4	11
Haryana	0.94	0.85	0.82	1.00	1.15	1	2
Karnataka	0.89	1.11	0.93	1.11	0.99	2	3
Kerala	0.45	0.57	0.57	0.62	0.63	11	8
Madhya Pradesh	0.64	1.16	1.00	0.78	0.94	5	4
Maharashtra	0.61	0.43	0.37	0.74	0.40	6	12
Orissa	0.46	0.40	0.96	1.11	1.29	10	1
Punjab	0.57	0.49	0.51	0.45	0.62	7	9
Rajasthan	0.45	0.52	0.67	0.67	0.91	12	5
Tamil Nadu	0.72	0.71	0.59	0.65	0.80	3	6
Uttar Pradesh	0.39	0.33	0.36	0.32	0.36	13	13
West Bengal	0.51	0.17	0.20	0.14	0.15	9	14

Source: RBI, Handbook of Statistics on State Government Finance, 2004.

Issues in Reforming the Motor Vehicles Taxation

The above analysis reveals that U.P. is not fully exploiting the potential revenue from motor vehicles taxes. With proper reforms in the rates and structure of taxation on motor vehicles substantially larger revenues can be generated. This is especially desirable as the number of various types of motor vehicles is rapidly increasing in the state. In order to obtain in-depth information regarding the various fees and taxes pertaining to the Motor Vehicle and the possibilities of raising revenue from this source, we held discussion with officials of the transport department as well as owners of commercial vehicles. We received very valuable feedback from them regarding the needed changes in the present tax structure and other related issues.

It may be pointed out that as far as the fees like learners' license fee, permanent license fee and fee for the renewal of license etc. are concerned the rates are fixed by the central government and are uniform all over the country. However, the State governments do have autonomy with respect to certain road taxes and registration fees. This is where each state can exercise its own power and fix rates according to its own judgment.

The departmental officials strongly felt that the system of one time registration is a much better system than the old system where road tax had to be paid on an annual basis. The new system is easily manageable since it is automatically collected as soon as a vehicle is purchased.

While fixing the road tax the concerned state government has to keep in mind the rates prevailing in the adjoining states as well. If the rates fixed are much higher than in the adjoining states, then people living in districts in the proximity of the state will start getting their vehicles registered in the other state rather than their own resulting in a net loss to the state. Table-7 presents a comparative picture of the rates prevalent in UP and the adjoining states. The table highlights the fact that Madhya Pradesh, Rajasthan, and Bihar have fixed their rates in terms of a percentage of the cost of the vehicle between 3 to 5 percent. UP, Delhi and Haryana have fixed their rates as fixed amount for registration of mopeds and scooters/motor cycles. These states have a different system for motorcars and other vehicles. In the case of UP tax is in terms of a percentage to the total cost of the vehicle with different rates for petrol and diesel vehicles. Delhi has fixed rates according to the weight of the vehicle. In Haryana rates are fixed according to the seating capacity of the vehicle. Since mopeds, scooters and motorcycles are available in wide price ranges, it would be a better idea to fix the rate based on the cost of the vehicle as in is being done in the states of MP, Rajasthan and Haryana.

Table 7
One Time Registration Rates of Uttar Pradesh and Adjoining States

Type of Vehicle	Uttar Pradesh	Madhya Pradesh	Delhi	Rajasthan	Haryana	Bihar
Moped	Rs.1000	5% of vehicle Cost	Rs. 1220	4% of vehicle cost for private vehicle and 5% of vehicle cost for other vehicles	Rs 150.00	3% of vehicle cost
Scooter/Motor Cycle	Rs. 1600	5% of vehicle Cost	Rs. 1220	4% of vehicle cost for private vehicle and 5% of vehicle cost for other vehicles	Rs. 500.00	3% of vehicle cost
Motor Car	Private/Petrol Vehicle 2.5% of the cost of vehicle. Minimum Rs.5000 other than private/diesel Vehicle 5% of vehicle cost	5% of vehicle Cost	upto 1000 kgs Rs 3850, 1001kgs to 1500 Kgs Rs 4800.00, 1501 kgs to 2000 kgs Rs. 7020 + Rs 4570 additional on per 1000 kgs	3% of vehicle cost for private vehicle and 6% of vehicle cost for other vehicles	upto 4 seat Rs 1700, upto 5 seats Rs. 2100. Upto 8 seats Rs. 3100, upto 10 seats Rs 4400	3% of vehicle cost

Source: Transport Commissioner U.P.

It would be pertinent here to refer to the following observations of the Tax Reform Commission Karnataka (2001):

"A measure that can give substantial relief to taxpayers is authorizing dealers to do registration themselves for non-transport vehicles, once engine and the chassis numbers are certified in advance after inspection by motor vehicle inspectors as done in Delhi. There is also a possibility of diversion of the tax base within the federal tax structure because of porous State borders. Rate parity is generally maintained with neighbouring States to contain this phenomenon. When abnormally low tax rates are adopted, particularly by Union Territories, adjoining States suffer through diversion of vehicle registration. Because of stringent domicile requirements for registration and regular physical checks of out-of-State registered vehicles through monthly enforcement drives, there is constant pressure on such vehicles. If they are caught regularly running within the state for more than 30 days, motor vehicles tax is collected at applicable rates. The consequent harassment succeeds in containing large scale diversion of vehicle registration. Nonetheless, inter-State comparison of tax rates becomes necessary while contemplating changes in tax rates.

For transport vehicles, the permit system acts as a check on tax payment for vehicles operating within the State. Diversion does occur if a neighbouring State has lower tax rates and an incentive is available in the form of composite permits. Likely earnings from clandestine operation on nationalized routes are also taken into account by private passenger vehicle operators when they plan to evade taxes.

Another possible method of evasion is by declaring non-use and stationing vehicles outside the State. Continued inspection through transport departments of other States is not easy."

During 2002 a scheme known as the Golden Token Scheme was introduced for goods and passenger vehicles. It was very successful and was expected to earn revenue to the tune of Rs. 150 crores during the full financial year. However, for some unidentified reason the scheme was discontinued.

Another issue is related to the slabs of the rates on passenger transport vehicles. Earlier eight different slabs had been formed for the passenger transport vehicles. This was done on the kilometerage a vehicle was covering on a specified route on which it was plying per day. On the basis of this the total distance covered in a quarter was worked out to fix the slabs. For each slab a quarterly tax was fixed. The system was working well. But the department took the decision to merge the first three slabs and keep the tax rate fixed for the fourth slab as the uniform rate for the vehicles which were earlier in the first three categories. The bus owners who could not pay the higher rates cancelled their permits. In fact, many of the carriers continued plying without permits on the same routes where they were operating and were paying tax on the basis of old slabs. The move to merge the four slabs, therefore, backfired as the revenue collection actually came down.

One of the main sources of revenue to the Transport Commissioner's Office is the Compounding Fee Scheme. Trucks carrying goods are allowed a maximum tonnage according to their size. Trucks are checked at various checkpoints to ensure that they are not overweight. Whenever the authorities feel that a truck is overloaded they can have it weighed and in case it has excess goods a fine is imposed. The rate of fine varies for each tonne of extra load. However, because of corrupt practices compounding was not being done properly leading to losses to the state exchequer. The department, therefore, introduced the Self Assessment Scheme where the truck owner could declare the excess weight. On this declared excess load a reduced compounding fee was charged. This scheme met with immediate success and in the first five months of its inception Rs. 32 crores of revenue was generated. In a full financial year it was expected to generate additional revenue to the tune of Rs. 90 crores. Unfortunately, this scheme was discontinued without any concrete reason by the government.

The Central government rules clearly state that if an overloaded truck is held, not only should it be made to pay the compounding fee but also all the excess weight should be removed before the truck leaves the check post. The additional goods should be sent in a separate truck. The rationale behind this rule is that the government constructs roads keeping in mind their load bearing capacity. And if overloaded trucks keep plying on the roads, the roads get damaged and the cost of repair nullifies the gains from the compounding fee. The Central government provides a road fund to the states for maintenance of roads and this fund can be withheld if the state government is permitting overloaded trucks to pass through the state. Thus, not only is it essential to ensure that there are no losses of revenue through improper checking and collection of compounding fee but also that even after payment of compounding fee the trucks must be made to move only after the excess goods are unloaded.

The Transport Commissioner's Office is presently engaged in the task of upgrading 18 important check posts. All these check posts are being computerized and electronic barriers will be installed in them. They will also be provided electronic weighing machines and all relevant information including the amount of compounding fee charged, if any, will be recorded. The compounding fee will be charged on the spot and since it is on record the amount will automatically reach the exchequer as well. In case the scheme is fully enforced it will generate additional revenue of at least Rs. 400 crores per annum. Computerization of records is an important method for raising larger revenue and increase efficiency of the system. For the past five years there has been a move to provide computers to the transport office at the district level. However, this has been done in only 12 offices out of 70 offices in the state so far. Once computerization is achieved then there will be proper records of all vehicles, their owners, the amount and the time of the year when it has to pay tax and whether or not tax has been paid on time. This will put an end to tax evasion and the revenue of the department will go up many folds. At present this information is maintained in a highly unsystematic manner in registers and there is no proper way to check the defaulters and bring them to the book. The only way is through surprise checks. However, the staff is limited and there are also possibilities of collusion by the staff. Computerization will put a check on such malpractices. The task of computerization of all transport offices and development of required software for the department may be given to some profession company. The ultimate gain to the department will far outweigh the expenditure on computerization.

The UPSRTC has a monopoly on all the routes, yet is not making profits. Private buses are running on only few routes. The UPSRTC may be asked to cover the rural areas and a few urban areas. On the remaining routes permits may be given to the private sector. This will improve the earnings of the department through passenger tax and also ensure more services to the passengers. Initially permits may be given on a few selected routes for one year to begin with. After one year the tax receipts received from these routes may be worked out and compared with the receipts which were available when the UPSRTC was plying on these routes. In case the revenue earned is much higher under the new arrangement the scheme may be taken up on more routes.

In addition to the taxes levied by the transport department on motor vehicles, the UPSRTC collects money on behalf of the transport department through a charge on the sale of passenger tickets. The formula adopted for tax collection is as follows

$$\frac{\text{Gross amount of the passenger fare} \times 21}{121} = \text{Passenger tax}$$

During 2002-03 the UPSRTC collected around Rs. 140 crores by way of this tax but deposited only around Rs. 40 crores with the Transport Department. Thus, the overall target of the department fell short by over Rs. 100 crores. The UPSRTC did not deposit Rs. 95 crore. In fact the UPSRTC has not been paying the full passenger tax since the year 1991 and the arrears have aggregated to a huge figure of Rs. 623 crores.

The owners of the transport companies expressed the view that the structure of taxes existing in the state is not very much different as compared to the adjoining states. They felt that the rates of taxes are not unduly high. They also pointed out that schemes such as Golden Token scheme and the Self Declaration Scheme were very useful and had made the functioning smooth. However, the schemes were withdrawn. Once again the RTO's have started their own token scheme and they keep charging rates according to their convenience and looking at the needs of the transporter. Thus sizeable revenue is not even reaching the government although it is being realized.

The truck owners accepted that many times they do carry excess goods but agreed that whenever an overloaded truck is caught it should be fined, the excess baggage be off loaded and the truck should be allowed to leave the check post after removing the excess weight. This will serve as a lesson not only for the transport companies to ensure that trucks are not overloaded but will also send a signal to those whose goods are being transported that it is more profitable to keep on the right side of the law rather than try to ignore it. Whenever an overloaded truck is caught the driver faces the brunt of the beating while the owner of the transport company bears the financial cost. But the person whose goods are being transported gets away without any penalty.

The owners of the transport companies expressed the view that just as there are check posts where their trucks are stopped for verification of proper permit, overloading etc, there should be suitable posts where they should be able to record their grievances if the officials from the RTO or police are harassing them un-necessarily.

The bus owners as well as the maxi cab and taxi owners also expressed the view that they are satisfied with the rates of taxes and fees, but expressed deep concern over the harassment which they are faced with in their day to day functioning. The bus owners complained that although the rules have been relaxed they are not always provided permits for the routes which they have requested for. It was pointed out that while a large number of buses are plying on various routes with regular permits, there are many buses which have no permit but are plying on the regular basis in connivance with the officials. They were also critical of the fact that while in the original policy eight different tax slabs had been fixed for the grant of permits to buses depending on the kilometrage covered by them, the first four slabs have been merged into one group and the tax rate applicable for the fourth slab are now to be paid by those who were in the first three slabs earlier. This is a big financial loss and the rates are much higher than what they should have been. This has forced a number of bus owners to cancel their permits and many of them are compelled to run their vehicles illegally without a proper permit. They strongly feel that the old slabs should be restored as soon as possible as it will be beneficial not only for the bus owners but even for the government as well.

The taxi and maxi-cab operators have admitted that they are taking more passengers than what is allowed because this is the only way they can manage to survive. Even in the case of taxis, maxi-cabs and tempos they have pointed out that a large number do not have regular permits. They feel that there should be greater strictness so that only those vehicles should be allowed which have proper valid permit.

Suggestions for Revamping the Motor Vehicle Taxation

In the light of the above analysis following suggestions are made for restructuring the taxation of motor vehicles in U.P. with a view to making it rational and revenue elastic:

- (1) While revising the tax structure care has to be taken to keep in mind the prevailing rates in the adjoining states. Otherwise, it could actually lead to reduction in revenue because people living in districts in close proximity to the other states will prefer to get their vehicles registered in other states instead of U.P.

- (2) It is also pertinent to note that the receipts from motor vehicle tax as a percentage of total revenue from own taxes in U.P. was only 5.45 per cent in 2002-03, which was much lower than all the 14 selected States except West Bengal and Maharashtra. In fact, it was even less than some of its adjoining states such as Bihar, Madhya Pradesh, Haryana and Rajasthan. Per capita incidence of taxes on motor vehicles in U.P. was also lower than all 14 States except West Bengal. Thus, there is a good scope for upward revision of the tax structure.
- (3) The rates of the one time Motor Vehicle Tax at the time of registration should be fixed on advalorem basis in case of two wheelers also as being done in case of cars. It may be fixed at 3 percent of the cost of the vehicle with a minimum of Rs. 1000 in the case of mopeds and 4 percent of the cost of vehicles with minimum of Rs. 2000 for scooters and motorcycles. By keeping the rates on advalorem basis, the revenue from this tax will automatically go up with the increase in the price of vehicles.
- (4) The existing rates of road tax in the case of cars/jeeps are already fixed on the ad valorem basis. The rates vary for petrol and diesel driven vehicles. The existing rates of 2.5 percent of the cost of vehicle may be increased to 4 percent and the practice of keeping differential rates for petrol and diesel driven vehicles may be done away with in view of the fact that gap between the price of petrol and diesel is narrowing down as also the higher cost of diesel driven vehicle will automatically give more revenue at the same rate. Further, in recent years a wide range of luxury cars have come in the market, which are being bought by the rich class, which can afford to pay higher taxes. Therefore, for all vehicles with a price tag of Rs. 10 lakh and above the rate of road tax may be fixed at 5 percent of the price of vehicles.
- (5) Efforts must be taken to stop the leakages in revenue due to various malpractices. A cost effective way to do so is to computerize all the 70 district transport offices and link them with the central office. This will ensure that proper and updated records are maintained for all vehicles, which are registered in the state. Once this is done, it will be very easy to keep an eye on the defaulters and ensure that taxes are realized regularly and the amount is deposited in the state treasury.
- (6) It is equally important that all check posts be made electronic as is proposed in the case of 18 main check posts. This will ensure that there will be proper verification of trucks, buses or taxis that pass through the check posts to check whether they have a regular permit, have paid their taxes and are not overloaded with goods or with passengers. All penalties will be collected at the check post itself and computerize. This way the leakages will be automatically plugged.

- (8) One easy way which is often used to evade tax is by declaring a vehicle as under non-use. The department will have to keep a proper check on such cases. Computerization of record will again be helpful to verify whether the vehicle under non-use is plying on the road or not.
- (9) In the case of additional motor vehicle tax (passenger tax) on the passenger buses, the merger of the first four slabs has proved to be a mistake and has caused significant revenue losses. It is, therefore, recommended that the transport department must revert back to its old format of having eight slabs. The rates on slabs may be raised by 15 percent over the previous rates.
- (10) The tax component in the passenger fares, which is being collected by the UPSRTC is not being paid to the government. Consequently, the backlog of arrears has mounted to more than Rs 600 crores. After discussing this issue with the officials of the transport department and UPSRTC, we have come to the conclusion that UPSRTC should start paying current tax to the government and arrears of old tax should be converted into equity of the UPSRTC. We also recommend that a substantial part of current tax received by the government should be given back to UPSRTC as plan outlay for purchase of new buses and improvement of various other facilities.
- (11) It is recommended that a certain percentage of the income from compounding fees should be given back to the Transport Department in the shape of plan outlay for its development activities.
- (12) As per government orders, various facilities and concessions are provided to certain category of persons by the UPSRTC and their cost is later on reimbursed by the government. Keeping in view the resource constraints of UPSRTC, we recommend that 50 percent of the anticipated cost of such claims should be given to the UPSRTC in advance during the year.
- (13) The rates of additional tax on goods carriages (goods tax) were fixed long back and have not been revised since then. The department should make suitable increase in its rates at the earliest.
- (14) In the scenario where globalization and privatization is the order of the day, it may be an appropriate time to open the routes that have so far been the monopoly of the UPSRTC to private sector. The era of free permits has already been in force. Therefore, it may be appropriate to allow private buses to ply on all the routes. The tax component of the fare will be much easier to collect from them. The check posts are already there and once they become electronic they will keep a check on the actual number of passenger. So the possibility of leakages will be minimized considerably. To begin with it may be appropriate to introduce privatization in few selected routes only for say a period of one year. At the end of the year the revenue generated through passenger tax on privatized routes may be compared with the figure of revenue generated when the routes was opened to UPSRTC only. If it is found, as is likely to be the case, that private operators are providing larger revenue to the state then the other routes can also be opened to private sector. These recommendations are anticipated to bring in an additional revenue of about Rs.345 crore annually as shown in Table 8.

Table 8
Expected Additional Revenue Generation Per Year

Sl. No.	Recommendations	Additional Revenue (Rs. Crore)
1.	Increase in the Rates of One-Time:	
	(i) On Mopeds	3.75
	(ii) On Scooters/Motor Cycles	36.00
	(iii) On Cars	23.62
	(iv) On Luxury Cars with price tag of 10 lakh and above	12.50
2.	Upgradation/Improvement of check posts through setting up of electronic barriers and their computerization	200.00@
3.	Computerisation of all 70 District Transport Offices	50.00++
4.	Revival of old eight slabs of distance run of passenger carriage and 15 per cent increase over the previous rates of additional tax	19.35
	Total	345.22

Notes: 1. The figures of registration of two wheelers and cars in the year 2003-04 were 5.855 lakh and 47189 respectively. Hence, we have assumed registration of 6 lakh two wheelers and 50,000 cars in a year.

2. We have further assumed the share of mopeds as 25 per cent in total two wheelers and share of Luxury cars as 10 per cent in total cars.

3. @ as provided in the Transport Department's Karyakalapon Par Tippani, 2004-05

4. ++ as per discussions with the officers of Transport Department.

Annexure-1

PART-A

Existing Rates of Tax (Road Tax) on vehicles other than transport vehicles

Article	Description of Vehicle	Annual Rate on Tax (in Rs.)
I.	Motor Cycle (which term includes scooters and mopeds)	
	(1) Not exceeding 80 kilograms in weight, unladen	90.00
	(2) Exceeding 80 kilograms in weight, unladen but not exceeding 500 kilograms unladen	150.00
II.	(1) Vehicles, not being motor cycles, constructed and used solely for the conveyance of persons and light personal luggage, with seating accommodation for not more than six persons, exclusive of the driver	500.00
	(2) Trailers drawn by vehicles covered by this Article	55.00
III.	Vehicles including Motor cycles, weighing more than 500 kilograms in weight, unladen, constructed or adopted for use for the conveyance of more than six persons exclusive of the driver:	
	(1) (a) Not exceeding 2000 kilograms in weight, unladen	528.00
	(b) exceeding 2000 kilograms but not exceeding 3000 kilograms in weight unladen	748.00
	1. Exceeding 3000 kilograms but not exceeding 4000 kilograms in weight, unladen	1034.00
	2. Exceeding 4000 kilograms but not exceeding 5000 kilograms in weight, unladen	1210.00
	3. Exceeding 5000 kilograms in weight, unladen, for every 1000 kilograms or part thereof	1210.00+ 484.00
	(2) Trailers drawn by vehicles covered by this Article	110.00

PART-B

Rates of One-Time Tax on Vehicles Other Than Transport Vehicles in Rs.

Vehicle according to the Articles of Part-A	Registered on or after the date of the commencement of the Uttar Pradesh Motor Vehicles Taxation Act, 1997	Registered in the year 1987 and on or after January 1, 1988 and before the commencement of the Uttar Pradesh Motor Vehicles Taxation Act, 1997	Registered in the year 1986	Registered in the year 1985	Registered in the year 1984	Registered in the year 1983	Registered in the year 1982
I(1)	1000.00*	634.00	475.00	316.00	158.00	158.00	158.00
I(2)	1600.00*	1350.00	1200.00	1050.00	900.00	75.00	600.00
II(1)	2.5% of the cost	4589.00	4180.00	3770.00	3361.00	2950.00	2539.00
II(2)	605.00	557.00	508.00	460.00	411.00	363.00	315.00
III(1)(a)	2.5% of the cost of vehicle	5324.00	4840.00	4356.00	3872.00	3388.00	2904.00
III(1)(b)	2.5% of the cost of vehicle	7550.00	6873.00	6195.00	5518.00	4840.00	4162.00
III(1)(c)	2.5% of the cost of vehicle	10430.00	9486.00	8543.00	7599.00	6655.00	5711.00
III(1)(d)	2.5% of the cost of vehicle	12209.00	11108.00	10007.00	8906.00	7805.00	6703.00
III(1)(e)	2.5% of the cost of vehicle plus 5324.00 for every 1000 kilogram or part thereof in excess of 5000 kilograms	12209.00 plus 4888.00 for every 1000 kilogram or part thereof in excess of 5000 kilograms	11108.00 plus 4453.00 for every 1000 kilogram or part thereof in excess of 5000 kilograms	10007.00 plus 4017.00 for every 1000 kilogram or part thereof in excess of 5000 kilograms	8906.00 plus 3582.00 for every 1000 kilogram or part thereof in excess of 5000 kilograms	7805.00 plus 3146.00 for every 1000 kilogram or part thereof in excess of 5000 kilograms	6703.00 plus 2710.00 for every 1000 kilogram or part thereof in excess of 5000 kilograms
III(2)	1210.00	1113.00	1016.00	920.00	823.00	726.00	629.00

Provided that the rate of one-time tax on vehicles covered by Article II(1), III(1)(a), III(1)(b), III(1)(c), III(1)(d) and III(1)(e) of Part-A and registered on or after the commencement of Uttar Pradesh Motor Vehicles Taxation (Amendment) Act, 2000 shall not be less than Rs.5000.00. Provided further that the rates of tax in respect of all motor vehicles driven by petrol shall be double of the rates specified in Articles I, II and III of this part, except in respect of the following classes of owners, namely: (a) an individual. (b) a Municipal Council, Municipal Corporation, Zila Panchayat, Nagar Panchayat or Kshetra Panchayat; (c) a University established by or under any law; (d) any recognized Institution; (e) any public charitable trust; (f) any other class of persons using motor vehicles for public purposes specified by the State Government in this behalf by notification.

Provided also that the rates of tax in respect of all motor vehicles driven by diesel shall be double of the rates specified against Articles I, II and III of this part. * As amended

PART-C
Rates of Tax on Transport Vehicles

(Rs.)

Article	Description of Vehicle	Rate of Tax per Quarter
I	Vehicles plying for the conveyance of passengers and light personal luggage of passengers:	
	(1) with seating capacity for not more than three persons exclusive for the driver	95.00
	(2) with seating capacity for four persons exclusive of the driver	185.00
	(3) with seating capacity for more than four but not more than six persons exclusive of the driver:	185.00
	1. Three wheelers	230.00
	2. Others	
	(4) with seating capacity for more than six persons but not more than twelve persons exclusive of the driver:	350.00
	(a) if intended for use on 'A-Class' route	250.00
	(b) if intended for use on 'B-Class' route	
	(5) with seating capacity for more than twelve persons but not more than twenty persons exclusive of the driver:	
	(a) If intended for use on "A-Class" route:	350.00
	(i) for the first twelve seats	30.00
	(ii) for every additional seats	
	(b) If intended for use on "B-Class" route:	350.00
	(i) for the first twelve seats	25.00
	(ii) for every additional seats	
	(6) with seating capacity for more than twenty persons but not more than thirty-five persons exclusive of the driver:	
	I. If intended for use on "A-Class" route:	590.00
	(i) for the first twelve seats	35.00
	(ii) for every additional seats	
	II. If intended for use on "B-Class" route:	450.00
	(i) for the first twelve seats	30.00
	(ii) for every additional seats	
	(7) with seating capacity for more than thirty-five persons exclusive of the driver:	
	(i) if intended for use on 'A-Class' route	Rs.1115.00+Rs.45.00
		for every seat in excess of 35 seats
	(ii) if intended for use on 'B-Class' route	Rs.900.00+Rs.35.00
		for every seat in excess of 35 seats
		45.00
	Explanation: For the purpose of this Article fifty per cent of the sanctioned standing capacity, if any, shall be reckoned as additional seating capacity.	
II	Vehicles plying for hire for the conveyance of limited number of passengers and the transport of a limited quantity of passengers goods, the tax payable under Article I in respect of the authorized number of passenger seats in addition to tax for every metric ton of the gross vehicle weight of the vehicle, or part thereof:	
III	Vehicles plying for transport of goods only excluding trailers attached to tractors, which trailers are used solely for agricultural purposes, for every metric ton of the gross vehicle weight of the vehicle, or part thereof:	

Article	Description of Vehicle	Rate of Tax per Quarter
IV	Tractor by which trailer is drawn and which is used for purposes other than agricultural purposes – tax in addition to the tax paid in respect of the trailer or trailers drawn by it.	45.00
	Explanation: (1) Where any motor vehicle is used for various purposes or in such a manner as to cause it to be taxable under more than one Article on this schedule, the tax payable shall be at the highest appropriate rate. (2) Where a motor vehicle is equipped with sleeping berths, each sleeping berth shall, for the purposes of Articles I and II of this part shall be regarded as the equivalent of two passenger seats. (3) Every trailer attached to or drawn by a motor vehicle, which is taxable under any of the Article II, III and IV of this part be regarded as a separate motor vehicle liable to appropriate tax as specified in that Article.	

Annexure-2

Rates of Additional Tax on Goods Carriages

Additional Tax on Goods Carriages Operating Under permits granted by authorities having jurisdiction within Uttar Pradesh

Article	Area of Operation	Rate of Additional Tax per Quarter
I	For one Region	Rs.100.00 per metric ton of the gross vehicle weight or part thereof
II	For More than one Region	Rs.130.00 per metric ton of the gross vehicle weight or part thereof

Provided that the rate of additional tax in respect of the goods carriages carrying exclusively agricultural produce, minerals and petroleum goods shall be half of the rates specified against Articles I and II.

Additional Tax on a goods carriage operating under national permit granted under sub-section (12) of section 88 of the Motor Vehicle Act, 1988 by a State other than the State of Uttar Pradesh or a Union Territory shall be Rs.5,000.00 for each year or part thereof.

Annexure-3

Rates of Additional Tax on Stage Carriage

I. In respect of vehicles, other than Omni bus when used as contract carriage, operating in plains, excluding Jhansi Regions.

(a) Rates of Additional Tax on each Seat

Sl. No.	Distance run in a Quarter (In Kms.)	Amount of	Quarterly Tax
		On 'A' Class routes (Rs.)	On 'B' Class routes (Rs.)
1.	Upto 9000	376.00	393.00
2.	Exceeding 9000 but not exceeding 11700	458.00	511.00
3.	Exceeding 11700 but not exceeding 14400	565.00	630.00
4.	Exceeding 14400 but not exceeding 18000	705.00	787.00
5.	Exceeding 18000	705.00 + 177.00 for every 4500 kms. or part thereof	787.00 + 198.00 for every 4500 kms. or part thereof

Provided that the additional tax on a stage carriage operating within the limits of a corporations or a municipality shall be Rs.4,620.00 per quarter in respect of a stage carriage having not more than 35 seats and Rs.6,600.00 per quarter in respect of a stage carriage having more than 35 seats.

(b) Rates of additional tax on stage carriage covered by temporary permits issued for the conveyance of passengers on special occasions such as to and from fairs and religious gatherings and for marriage parties, tourist parties or such other reserved parties:

(i) For vehicles with seating capacity for not more than 42 persons exclusive of a driver and conductor	Rs.164.00 per day in addition to the tax payable under clause (a) of Article I for the number of days for which the temporary permit is issued.
(ii) For vehicles with seating capacity for more than 42 persons, exclusive of the driver and conductor	Rs.273.00 per day in addition to the tax payable under clause (a) of Article I for the number of days for which the temporary permit is issued.

Provided that the rates of additional tax on express, semi-deluxe and air conditioned stages carriage shall be:

(i) Express	Five per cent higher than the rates under clause (a) or clause (b) of Article I, as the case may be
(ii) Semi-Deluxe	Eight per cent higher than the rates under clause (a) or clause (b) of Article I, as the case may be
(iii) Deluxe	Twenty per cent higher than the rates under clause (a) or clause (b) of Article I, as the case may be
(iv) Air-Conditioned	Fifty per cent higher than the rates under clause (a) or clause (b) of Article I, as the case may be

Provided further that for calculation of additional tax under clause (b) the number of days a stage carriage covered by temporary permit is operated out of Uttar Pradesh shall not be taken into account.

II. For vehicles with seating capacity for more than 42 persons, exclusive of the driver and conductor	Rs.248.00 per day in addition to the tax payable under clause (a) of Article II for the number of days for which the temporary permit is issued.
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Provided that the rates of additional tax on express, semi-deluxe and air-conditioned stage carriage shall be:

(i) Express	Five per cent higher than the rates under clause (a) or clause (b) of Article II, as the case may be
(ii) Semi-Deluxe	Eight per cent higher than the rates under clause (a) or clause (b) of Article II, as the case may be
(iii) Deluxe	Twenty per cent higher than the rates under clause (a) or clause (b) of Article II, as the case may be
(iv) Air-Conditioned	Fifty per cent higher than the rates under clause (a) or clause (b) of Article II, as the case may be

IV. In respect of vehicles, other than Omni bus when used as contract carriage, operating in Jhansi Region:

(a) Rates of Additional Tax on each seat:

Sl. No.	Distance run in a Quarter (In Kms.)	Amount of	Quarterly Tax
		On 'A' Class routes (Rs.)	On 'B' Class routes (Rs.)
1.	Upto 9000	265.00	294.00
2.	Exceeding 9000 but not exceeding 11700	344.00	383.00
3.	Exceeding 11700 but not exceeding 14400	424.00	473.00
4.	Exceeding 14400 but not exceeding 18000	529.00	590.00
5.	Exceeding 18000	529.00 + 131.00 for every 4500 kms. or part thereof	590.00 + 148.00 for every 4500 kms. or part thereof

Provided that the additional tax on a stage carriage operating within the limits of a corporations or a municipality shall be Rs.4,200.00 per quarter in respect of a stage carriage having not more than 35 seats and Rs.6,000.00 per quarter in respect of a stage carriage having more than 35 seats.

(b) Rates of additional tax on stage carriage covered by temporary permits issued for the conveyance of passengers on special occasions such as to and from fairs and religious gatherings and for marriage parties, tourist parties or such other reserved parties:

(i) For vehicles with seating capacity for not more than 42 persons exclusive of a driver and conductor	Rs.135.00 per day in addition to the tax payable under clause (a) of Article III for the number of days for which the temporary permit is issued.
(ii) For vehicles with seating capacity for more than 42 persons, exclusive of the driver and conductor	Rs.225.00 per day in addition to the tax payable under clause (a) of Article III for the number of days for which the temporary permit is issued.

Provided that the rates of additional tax on express, semi-deluxe and air-conditioned stages carriage shall be:

(i) Express	Five per cent higher than the rates under clause (a) or clause (b) of Article IV, as the case may be
(ii) Semi-Deluxe	Eight per cent higher than the rates under clause (a) or clause (b) of Article IV, as the case may be
(iii) Deluxe	Twenty per cent higher than the rates under clause (a) or clause (b) of Article IV, as the case may be
(iv) Air-Conditioned	Fifty per cent higher than the rates under clause (a) or clause (b) of Article IV, as the case may be

Provided further that for calculation of additional tax under clause (b) the number of days a stage carriage covered by temporary permit is operated out of Uttar Pradesh shall not be taken into account.

V. In respect of Contract Carriage:

(a) Covered by permits issued under Section 74 or Sub-Section (9) of Section 88 of the Motor Vehicles Act, 1988 by authorities having jurisdiction within Uttar Pradesh:

(i) Motor Cab	1. For Vehicles with seating capacity of 3 persons excluding driver	300.00 600.00
	1(a) For vehicles with seating capacity of more than 4 persons but not more than 6 persons excluding driver	2000.00
	1(b) For vehicles excluding part 1 and 1(a)	
	(ii) Maxi Cab	10000.00
(iii)	For vehicles with seating capacity for more than 12 persons but not more than 20 persons exclusive of the driver and conductor	16588.00
(iv)	For vehicles with seating capacity for more than 20 persons but not more than 41 persons exclusive of the driver and conductor	22882.00
(v)	For vehicles with seating capacity of 42 persons and above exclusive of the driver and conductor	29815.00
(vi)	For Deluxe Bus	36042.00
(vii)	For Air-Conditioned Bus	41744.00

(b) Covered by permits under Sub-Section (9) of Section 88 of the Motor Vehicle Act, 1988 read with the Motor Vehicles (All India Permit for Tourist Transport Operators) Rule, 1993, issued by authorities having jurisdiction outside the State of Uttar Pradesh:

Days of Operation in Uttar Pradesh	Rate of Additional Tax for each Seat (in Rs.)
(i) Upto three days	100.00
(ii) Exceeding 3 days but not exceeding 15 days	300.00
(iii) Exceeding 15 days but not exceeding 30 days	500.00
(iv) Exceeding 30 days	500.00 plus additional tax calculated at the rates specified against Sl.Nos.(i), (ii) or (iii) as the case may be, for the days exceeding 30 days.

Explanations:

- (1) The total quarterly tax payable under this schedule on a stage carriage shall be such number of times of the rates given under 2 (Articles I & IV above) as the maximum number of seats permitted by the Registering Authority under the relevant provisions of the Motor Vehicles Act, 1988. For this purpose, fifty per cent of the sanctioned standing capacity, if any, of a stage carriage shall be reckoned additional seating capacity, with the fraction of a seat being counted as one seat.
- (2) The quarterly run distance of a stage carriage under sub-clause (a) of each of the 2 (Articles I and IV) of this schedule shall be such numbers of one way trips as are permitted under the conditions of the permit multiplied by the total kilometers involved in one such trip.
- (3) Until such time as the timings and trips are fixed by the State Transport Authority or the Regional Transport Authority, as the case may be, an operator shall pay additional tax on the quarterly run distance to be arrived at on the basis of trips operated by the vehicle prior to the enforcement of this Act.
- (4) 'Express Stage-Carriage' means a stage carriage which:
 - (a) operates on a route length of not less than 20 kilometres except Lucknow-Kanpur route and stops only at District and Tahsil headquarters.
 - (b) Conforms to the following specifications:

- (I) each passenger's seat:
 - (i) should have a minimum area of 40x38.5 centimetres measured on the straight lines along and at right angle to the front of each seat;
 - (ii) should be provided with 9 centimetre thick seat cushion;
 - (iii) should be provided with back rest of height of 56 centimetres with 2.5 centimetres thick cushion with terrycot rexine cover and head rest of 40/15.24 centimetres x 23 centimetres leg space.
 - (II) Seating arrangement Seating layout should be three and two on either side, all seats facing forward with a clear space of not less than 66.2 centimetres between the back of seats within 28 centimetres leg space.
 - (III) Windows 113 centimetres wide fitted with safety glasses conforming to the specifications laid down in Rule 100 of the Central Motor Vehicles Rules, 1989.
 - (IV) Drive's Cabin Drive's cabin should be half partitioned, and
 - (V) Should have the facilities of an audio system and internal fluorescent tube-lighting.
- (5) Semi-Deluxe stage carriage means a stage carriage with conforms to the following specifications:
- (I) each passenger's seat:
 - (i) should have a minimum area of 40x40 centimetres measured on the straight lines along and at right angle to the front of each seat;
 - (ii) should be provided with 9 centimetre thick seat cushion;
 - (iii) should be provided with back rest of height of 61 centimetres with 5 centimetres thick cushion with foam rexine cover and head rest of 40/17.78 centimetres x 26.67 centimetres leg space.
 - (II) Seating arrangement Seating layout should be three and two on either side, all seats facing forward with a clear space of not less than 71.2 centimetres between the back of seats within 30 centimetres leg space.
 - (III) Windows 142.5 centimetres wide fitted with safety glasses conforming to the specifications laid down in Rule 100 of the Central Motor Vehicles Rules, 1989.
 - (IV) Drive's Cabin Drive's cabin should be half partitioned, and
 - (V) Should have the facilities of an audio system and internal fluorescent tube-lighting.

(6) Deluxe Stage carriage, or Deluxe bus means a bus which conforms to the following specifications:

- (I) each passenger's seat:
 - (i) should have a minimum area of 45.8x45.8 centimetres measured on the straight lines along and at right angle to the front of each seat;
 - (ii) should be provided with 10 centimetre thick seat cushion;
 - (iii) should be provided with back rest of height of 71.2 centimetres with 5 centimetres thick cushion with foam Rexene cover and head rest of 40/17.78 centimetres x 26.67 centimetres leg space.
- (II) Seating arrangement Seating layout should be three and two on either side, all seats facing forward with a clear space of not less than 71.2 centimetres between the back of seats within 38 centimetres leg space.
- (III) Windows 142.5 centimetres wide fitted with safety glasses conforming to the standards laid down by the Bureau of Indian Standards.
- (IV) Drive's Cabin Drive's cabin should be fully partitioned, and
- (V) Should have the facilities of a video system and internal fluorescent tube-lighting.

(7) For the purposes of this schedule, seat will not include the drivers and the conductor's seat.

(8) Where any Motor Vehicle is taxable under more than one of the Articles of this Schedule, the additional tax payable shall be at the highest appropriate rate.

[(9) * **]

(10) 'Jhansi region' means districts of Lalitpur, Jhansi, Jalaun, Hamirpur, Mahoba, Chhatrapati Shahuji Maharaj Nagar and Banda.

[(11) * **]

(12) In this Schedule, the expressions 'Corporation' and 'Municipality' shall have the meanings respectively assigned to them in the Uttar Pradesh Municipal Corporations Act, 1959 and the Uttar Pradesh Municipalities Act, 1916.

Annexure-4

Formula of Additional Tax payable by the Uttar Pradesh State Road Transport Undertaking, under Section-6:

$$\frac{G \times 21}{121}$$

In this schedule 'G' stands for gross receipts of the undertaking on account of passenger traffic during any calendar month.

The rates of Additional Tax payable under Section 10 by Transport Vehicles plying in Uttar Pradesh a temporary permit granted by an authority having jurisdiction outside Uttar Pradesh.

I. Goods carriages	Rs.50.00 per day for the number of days of operation in Uttar Pradesh
II. Public Service Vehicle:	
Date of Operation in Uttar Pradesh	Rate of Additional Tax per sent (in Rs.)
(a) Ordinary Public Vehicles:	
(i) Upto 7 days	150.00
(ii) Exceeding 7 days but not exceeding 30 days	400.00
(iii) Exceeding 30 days	400.00 plus additional tax calculated at the rates specified against Sl.Nos.(i) or (ii) as the case may be, for the days exceeding 30 days
(b) Deluxe or Semi-Deluxe or Air-Conditioned Public Service Vehicles:	
(i) Upto 7 days	200.00
(ii) Exceeding 7 days but not exceeding 30 days	600.00
(iii) Exceeding 30 days	600.00 plus additional tax calculated at the rates specified against Sl.Nos.(i) or (ii) as the case may be, for the days exceeding 30 days

Annexure-5
Rates of Fines for Various Offences

Section of M.V. Act 1988	Offence	Amount of Compounding Fee (Rs.)
77	1 General offences for which no penalty is provided elsewhere	50.00 for each offence
78(1)	1 Traveling without having a proper ticket	10 times of actual fare or Rs.500.00 whichever is less
78(2)	1 Refuses of supply a ticket or refuses to accept fare when tendered	250.00
78(3)(a)	1 Driver of a contract carriage refuses to carry passengers in case of two or three wheelers	25.00
78(3)(b)	1 Driver of a contract carriage refuses to carry passengers in case of other vehicles	100.00
79(1)	1 Disobedience of orders	250.00
79(2)	1 Supply of such information or gives information which he knows to be false	250.00
80	1 Allowing unauthorized persons to drive vehicle	500.00
81	1 Driving a vehicle in contravention of Sections 3 and 4	250.00
82(1)	1 Driving a vehicle on disqualified licence	250.00
82(2)	1 Driving a vehicle on disqualified conductor licence	50.00
83(1)	1 Driving a vehicle in contravention of speed limit	500.00
83(2)	1 Driving a vehicle by owner of vehicle in contravention of speed limit	500.00
84	1 Driving dangerously	500.00
86	1 Driving when mentally or physically unfit to drive	100.00
89	1 Take part in race or trial of speed with permission	250.00
90(2)	1 Driving a vehicle which violate the standards prescribed in relation to road safety, control of noise and air pollution	1000.00
91	1 Sale of vehicle in or alteration of vehicle to condition contravening Chapter XI of this Act	250.00
92	1 Using a vehicle without registration, fitness and permit	2500.00
94(1)	1 Driving a vehicle exceeding permission:	
	(i) Section 113(1) Weight	1000.00
	(ii) Section 113(3) Passenger	1000.00
	In case of:	
	1. Medium and heavy vehicle	1000.00

Annexure-6

Head / Item	Fees (Rs)
Learner License	30.00
Permanent Driving License	40.00
Permanent Driving License (in laminated card)	200.00
Renewal of DL	50.00
Driving test	50.00
Conductor License fees	half of DL fees
Endorsement of new class of vehicle in laminated card	200.00
Renewal of DL after expiry of grace period	30.00
Registration / renewal of Driver Training School	2500.00
For second copy of Registration / renewal of Driver Training School	2500.00
For appeal against orders of the Licensing Authority	100.00
Trade certificate (Motorcycle)	50.00
Trade certificate (Invalid carriage)	50.00
Renewal of trade certificate (motorcycle / invalid carriage)?	50.00 each?
Others?	200.00?
Registration Book Issue / Renewal of Registration / Allotment of new number	
Invalid carriage?	20.00?
LMV (i) non Transport?	200.00?
(ii) Light commercial vehicle?	300.00?
Medium passenger vehicle?	400.00?
Heavy passenger vehicle?	600.00?
Imported motorcycle?	200.00?
Motor cycle?	60.00?
Medium goods vehicle?	400.00?
Heavy goods vehicle?	600.00?
Imported motor vehicles?	800.00?
NOTE: For issue of duplicate registration copy, the fees would be half of what is stated above?	?
Transfer of ownership	half of above
Change of address	20.00
Alteration in Registration Book	50.00
Hire purchase / lease / hypothecation entry fees	100.00
Technical Fitness Fees (Test Fee)	
Two / three wheeled vehicle?	100.00?
Light motor vehicle ?	200.00?
Medium vehicle ?	300.00?
Heavy vehicle	400.00?
Grant / Renewal of Certificate of Fitness for Motor Vehicle?	100.00?
Issue / renewal of Authority letter?	5000.00?
Issue of duplicate copy?	5000.00?
Appeal under Rule 70	400.00
Fees for Temporary Permits, their renewal & endorsement	
For first 3 days	300.00
After first 3 days, till end of week,	300.00
After first week, for next week, or part thereof	300.00
Change of vehicle type as specified in the permit	180.00
Taxi/auto rickshaw/tempo plying regularly	
For one region	750.00
for entire country	1500.00
Fees for Permits other than Temporary Permit, their renewal & endorsement	
Stage carriage/contract carriage (other than motor cab)	6000.00
Motor cab?	
(a) for entire India?	2500.00+500.00?
(b) for entire UP?	1500.00?
(c) for one region?	750.00?
For goods carrier	4800.00

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